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Legislative Document

No. 1127

S.P. 347

In Senate, March 7, 2019

An Act To Expand Community-based Solar Energy in Maine

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator SANBORN, H. of Cumberland.
Cosponsored by Senators: FARRIN of Somerset, LAWRENCE of York, WOODSOME of York, Representatives: RILEY of Jay, STROM of Pittsfield.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 35-A MRSA §3210-C, sub-§3-A** is enacted to read:

3 **3-A. Long-term contracts for community-based solar resources.** The
4 commission shall direct investor-owned transmission and distribution utilities to enter
5 into long-term contracts for community-based solar resources located within the service
6 territories of the utilities in accordance with this subsection. For the purposes of this
7 subsection, "community-based solar resource" means a new renewable capacity resource
8 located within the State that relies on solar photovoltaic arrays to generate electricity and
9 is community-based, as defined by the commission by rule.

10 A. The commission shall direct investor-owned transmission and distribution utilities
11 to procure up to 100 megawatts from community-based solar resources through long-
12 term contracts. The commission shall ensure that at least 20% of resources procured
13 under this subsection are procured through long-term contracts with community-
14 based solar resources with a nameplate capacity of less than 2 megawatts.

15 B. The commission shall, by rule, establish provisions to protect the interests of
16 customers of investor-owned transmission and distribution utilities over the term of
17 the contracts entered into pursuant to this subsection.

18 C. A community-based solar resource is eligible for long-term contracting under this
19 subsection if the community-based solar resource and its owners meet at least the
20 following requirements:

21 (1) The resource has a nameplate capacity of no more than 10 megawatts;

22 (2) The resource has an in-service date of no earlier than June 30, 2020 and no
23 later than December 31, 2021;

24 (3) Ownership of the resource is at least 75% accounted for by qualified owners.
25 For the purposes of this subparagraph, "qualified owner" means a resident of the
26 State or a business, corporation or other entity that is at least 75% owned by
27 residents of the State; and

28 (4) The owners of the resource provide documentation to the commission that:

29 (a) Demonstrates completion of an interconnection agreement application
30 with the local transmission and distribution utility;

31 (b) Includes a plan to obtain all required federal, state and local permits and
32 approvals for the resource;

33 (c) Demonstrates financial capability to operate the resource over the term of
34 the contract;

35 (d) Includes a letter or resolution of support from the local community in
36 which the resource is located; and

37 (e) Outlines expected economic benefits from the long-term contract to the
38 local community in which the resource is located.

1 D. Long-term contracts under this subsection must be for a term of at least 20 years.
2 The contract rate must be less than 9 cents per kilowatt-hour, and the rate must be
3 fixed for a period of at least 20 years. Contracts may be for energy or capacity. The
4 contracts may also include renewable energy credits, or the owners of the
5 community-based solar resource may retain the renewable energy credits associated
6 with the resource, as determined by the owners.

7 E. Available energy contracted for pursuant to this subsection must be sold into the
8 wholesale electricity market in conjunction with solicitations for standard-offer
9 supply bids in a manner that ensures that the energy is incorporated into the standard
10 offer.

11 The commission shall adopt rules to implement this subsection. Rules adopted pursuant
12 to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter
13 2-A.

14 SUMMARY

15 This bill requires the Public Utilities Commission to direct investor-owned
16 transmission and distribution utilities to enter into long-term contracts with community-
17 based solar photovoltaic energy generating facilities. The total amount of resources
18 procured through these long-term contracts may not exceed 100 megawatts, and 20% of
19 resources procured must come from generators with a capacity of less than 2 megawatts.
20 The bill requires the commission to establish provisions to protect the interests of utility
21 customers over the term of the contracts.

22 The bill sets forth eligibility requirements for community-based solar resources to
23 enter into long-term contracts. To be eligible, a resource must have a capacity of no more
24 than 10 megawatts, have an in-service date between June 30, 2020 and December 31,
25 2021 and meet local ownership requirements. In addition, to be eligible, the owners of the
26 resource must:

27 1. Demonstrate to the Public Utilities Commission completion of an interconnection
28 agreement application with the local transmission and distribution utility;

29 2. Include a plan to obtain all required federal, state and local permits and approvals;

30 3. Demonstrate financial capability to operate the resource over the term of the
31 contract;

32 4. Include a letter or resolution of support from the local community in which the
33 resource is located; and

34 5. Outline expected economic benefits from the long-term contract to the local
35 community in which the resource is located.

36 The bill establishes a minimum contract length of 20 years and requires the contract
37 rate to be less than 9 cents per kilowatt-hour and fixed for a period of at least 20 years.
38 Contracts may be for energy or capacity. The contracts may also include renewable
39 energy credits, or the owners of the resource may retain the renewable energy credits

1 associated with the resource, as determined by the owners. Finally, the bill specifies that
2 available energy contracted for under the provisions of this bill must be sold into the
3 wholesale electricity market in conjunction with solicitations for standard-offer supply
4 bids.